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Article — Digitized Version

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Intereconomics

Suggested Citation: Moser, Carsten R. (1969) : North and South in one boat, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 04, Iss. 8, pp. 235-, <https://doi.org/10.1007/BF02930178>

This Version is available at:

<https://hdl.handle.net/10419/138232>

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North and South in One Boat

The Latin-America mission of President Nixon's personal envoy, Rockefeller, is generally taken as having been unsuccessful. The explicit purpose of his journey to obtain information was the inquiry into the wishes and the problems of the governments of the Latin-American countries in respect of their future relations with the USA. Some probably "useful" talks have indeed been held. But bloody anti-American demonstrations and the cancellation on short notice of previously arranged visits by the hosts have clearly shown once more that talks between North and South in America are today more complex than ever.

The Nixon Administration has been reproached with not having chosen the time for the Rockefeller visit particularly well. Prior to the visit there had been some occurrences bringing old resentments towards the USA to the fore stronger even than before. The substantial cuts in the sums made available to the "Alliance for Progress" and the drastic trimming-down of the budget of the Agency for International Development (AID) infuriated the Latin-American states. In addition there has for some months been the smouldering controversy between the USA and Peru about the compensation payments for the nationalisation of an American oil company and the violation of Peruvian territorial waters by American fishing vessels.

The explanation for Nixon's decision to send Rockefeller on his mission in spite of all this, may well be found in the fact that he saw an urgent necessity particularly at the present moment for new efforts towards a compromise and intensified cooperation with the Latin-American countries. Internal problems of the USA and the Vietnam war do not enable the Administration to mobilise unlimited funds for Latin-America. This confronts Mr Nixon with the task of planning a new and more effectful strategy for the economic development of Latin-America regardless of diminished means. In this, it seems, he intends to put greater emphasis on the conceptions of the receiving countries as did his predecessors.

Top priority in the Latin-American countries' economic policy has a higher share in world trade, which at present amounts to about 5 p.c. They thus desire from the USA more development aid, easier access to the North-American market and further-reaching price concessions for their export products. Addressing themselves to the industrial countries in general they plead for a revision of world trade conditions, lowering of interest rates charges on loans, an improvement of the facilities for the financing of commodity "buffer-stocks", and the removal of the so-called tied aid.

It is to be expected that the Administration will wait with the formulation of its new strategy for Latin-America until the Pearson Commission, set up by the World Bank, will publish its report on the future methods and aspects of aid by the industrial countries to the developing countries. This investigation report will come out in the autumn. Meanwhile, it is not difficult to foresee that the Nixon strategy will concentrate itself more than hitherto on the agricultural sector and technical aid. Furthermore, government utterances point to the fact that a larger proportion of the budget for development aid will be channelled through international organisations within the framework of multilateral aid. This, however, would fall far short of solving the Latin-American problem. In this aspect, the USA finds itself before a dual task: The elimination of the still often frightening economic and social backwardness of the USA's southern neighbours, and the breaking-down of resentments whose repeatedly new outbursts are partly due to the North Americans' own doing.

Carsten R. Moser